

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Human Resources	(2) MEETING DATE 7/24/2012	(3) CONTACT/PHONE Tami Douglas-Schatz 781-5959	
(4) SUBJECT Request to approve the side letter for amendments to the Memorandums of Understanding (MOUs) with the San Luis Obispo County Employees' Association (Bargaining Units 01, 05 and 13) to further reduce the impact to employees in the positions that were eliminated or reduced in hours in the FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13 adopted budget.			
(5) RECOMMENDED ACTION It is recommended that your Board approve the side letter for amendments to the memorandums of Understanding (MOUs) with the San Luis Obispo County Employees' Association (BU 01, BU 05 and BU 13) to further reduce the impact to employees affected as a result of the positions that were eliminated or reduced in hours (see Attachment "A") in the FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13 adopted budget.			
(6) FUNDING SOURCE(S) General Fund	(7) CURRENT YEAR FINANCIAL IMPACT \$336,576	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Tami Douglas-Schatz, Human Resources Director

DATE: 7/24/2012

SUBJECT: Request to approve the side letter for amendments to the Memorandums of Understanding (MOUs) with the San Luis Obispo County Employees' Association (Bargaining Units 01, 05 and 13) to further reduce the impact to employees in the positions that were eliminated or reduced in hours in the FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13 adopted budget.

RECOMMENDATION

It is recommended that your Board approve the side letter for amendments to the memorandums of Understanding (MOUs) with the San Luis Obispo County Employees' Association (BU 01, BU05 and BU13) to further reduce the impact to employees affected as a result of the positions that were eliminated or reduced in hours (see Attachment "A") in the FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13 adopted budget.

DISCUSSION

On May 5, 2009, the Board approved an amendment to SLOCEA's MOUs to defer the elimination of 59 positions until December 31, 2009 that would have otherwise resulted in layoffs in the FY 2009-10 budget. In return, SLOCEA agreed to defer any prevailing wage increase due to the unit members that would have been in effect for FY 2009-10 to offset the cost of the deferral.

On December 15, 2009, the Board approved a subsequent amendment to SLOCEA's MOUs to defer the remaining 29 layoffs for the rest of FY 2009-10 (from January 1, 2010 through June 30, 2010). This was paid for by SLOCEA's members' voluntary 6 month freeze of the County's monthly contribution to each member's Voluntary Employee Beneficiary Association (VEBA) account.

Now, in an effort to mitigate the remaining 4 layoffs originating in FY 2009-10 and FY 2010-11, and 1 additional layoff originating FY 2011-12, SLOCEA has proposed, and staff recommends that the Board approve the attached amendments to SLOCEA's MOUs with the County (Attachment "A"). The total cost to fund the deferral of the prior fiscal year remaining layoffs is approximately \$336,576. Through this side letter, SLOCEA will fund the deferral of layoffs for the current incumbent employees as identified in Attachment "B" for one fiscal year (through June 30, 2013) by utilizing approximately 0.4% that was previously deferred from the 2.28% FY 2009-10 prevailing wage adjustment (PWA), which equates to approximately \$453,141. This funding source will be used to offset the entire cost in salary and benefits from July 1, 2012 through June 30, 2013 for current incumbent employees who would otherwise be laid off.

OTHER AGENCY INVOLVEMENT/IMPACT

SLOCEA, County Counsel, Human Resources, the Administrative Office, and the Auditor-Controller's Office has reviewed and agreed with the proposed Side Letter.

FINANCIAL CONSIDERATIONS

It is estimated that deferral of the affected positions will cost approximately \$336,576. These costs will be paid by the continuation of the deferral of 0.4% of the 2.28% FY 2009-10 PWA, which currently equates to approximately \$453,141.

No Position Allocation List (PAL) adjustment is necessary as part of this agreement. The SLOCEA represented positions that were approved for elimination as part of the FY 2009-10, FY 2010-11, and FY 2011-12 budgets were deleted from the PAL effective July 1, 2009, July 1, 2010, and July 1, 2011. The positions approved for elimination as part of the FY 2012-13 budget were deleted from the PAL effective July 1, 2012. These SLOCEA-represented employees, previously deferred from layoff, will continue to be retained as "over-filled" positions. That is, the County will continue to pay salary and benefits for the employees in these positions even though the positions have been removed from the PAL. This will continue through June 30, 2013 with approval of this item.

RESULTS

Approval of the side letter for amendments to the MOUs with SLOCEA will defer imminent layoffs (effective June 30, 2012) of current incumbent employees through June 30, 2013. SLOCEA has proposed funding this cost by a one year deferral of approximately 0.4% of a FY 2009-10 2.28% prevailing wage adjustment. Should any affected position, as listed on Attachment "B", become vacated during FY 2012-13, this funding will cease and will not be used to cover the cost should the position be re-filled. The 0.4% used to fund the deferment of layoffs will be available for distribution to SLOCEA members on July 1, 2013, the details of which will be the subject of negotiations. The 0.4% of salary current represents a dollar amount of \$453,141 and is subject to change based on the size of the bargaining unit employees at the time of calculation.

ATTACHMENTS

1. Attachment A: Side Letter Layoff Deferral FY 2012-13
2. Attachment B: SLOCEA Layoff Deferral Position Costs